



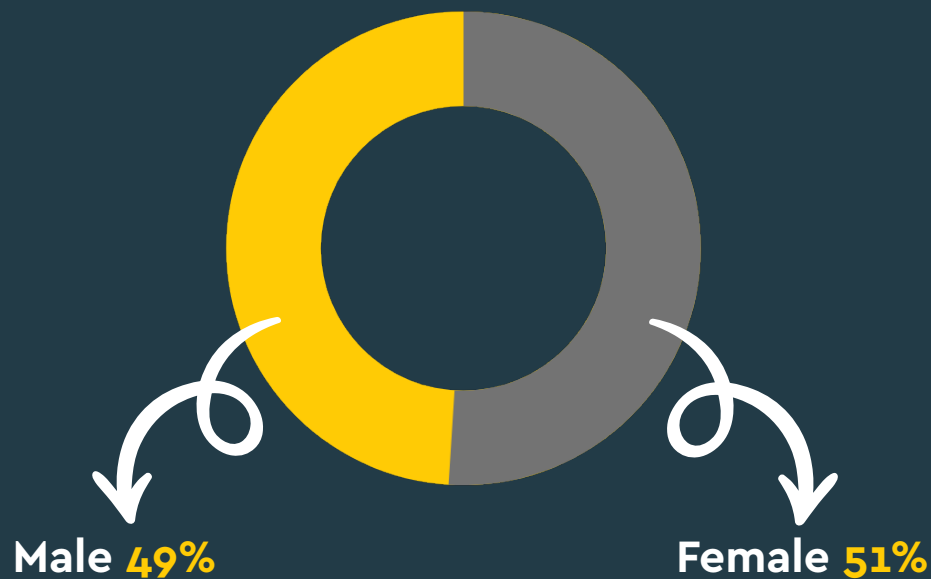
Gender Pay Report

2022/2023

Our Gender Pay Gap *Explained*

The gender pay gap is a set of measures which are designed to illustrate the difference between the average earnings of colleagues who identify as men or women within an organisation. It is illegal for people to be paid different amounts for doing the same role and so, a gender pay gap does not mean our colleagues are being paid disproportionately for the same role. Instead, the gender pay gap highlights the percentage of people who identify as male or female within organisations and the difference in their average earnings both hourly, and in bonuses. In our case, our gender pay gap is largely due to having more males colleagues in senior leadership roles resulting in an underrepresentation of female colleagues in these associated higher paid roles.

Our gender pay gap data for the 2022/2023 annual report has been taken from the snapshot date of 05 April 2022 and is representative of 351 colleagues with the gender diversity split as below.



Since our first year of reporting, we are pleased to have seen a **positive reduction** in both the mean and median hourly pay gap as shown in the table below:

	2020	2021	2022
Mean Hourly Pay Gap	33.0%	24.2%	22.8%
Median Hourly Pay Gap	27.0%	26.7%	24.0%
Mean Bonus Pay Gap*	54%	27%	47%
Median Bonus Pay Gap*	41%	0%	22%
% of females received a bonus	62%	83%	78%

*Our bonus pay gap has varied throughout the years since our reporting began due to the various factors which influence the figures, including any payments of an organisation wide performance bonus, long service awards or recruitment referrals. We note there has been some progress in the 2020 versus 2022 bonus data, specifically in both the mean and median figures. However, we will continue to analyse the various underlying factors contributing to the bonus pay gap in order to understand and identify ways of closing this gap much further.

While we are pleased to have made some progress in the right direction, we recognise there is a lot of work still to be done. Hodge is committed to all aspects of Equality, Diversity and Inclusion and it is important for us to achieve a diverse culture where all colleagues can thrive to be the best they can be at work. One of our measures of success will be a nil gender pay gap in the future where our **female colleagues are equally represented** at all levels of the organisation.

The steps we have **taken**

We recognise there will not be progress without action. Over the past year, we have worked to increase the data we hold about our colleagues at Hodge. In doing so, we have learned more about what makes our colleagues who they are and areas we could take action to further support them in their career. One of our key focuses has been to find ways to ensure our people can succeed in their work while balancing their personal responsibilities.



Parents and Carers

- We made enhancements to our leave policies so that in addition to the six months fully paid parental leave we offer to all parents, we now offer paid leave for any parent in the instance of a miscarriage.
- We introduced neo-natal leave, regardless of gender, so that any parent can take time with their family if they need it, without it impacting their parental leave.
- We also introduced up to one week per year leave for our people with caring responsibilities.



Women in Finance Charter

Hodge has been a proud signatory of the HM Treasury Women in Finance Charter since 2019. We were incredibly disappointed to have not met our initial target of 45% leadership positions held by women by October 2022. However, we remain absolutely committed to ensuring gender parity across all levels at Hodge. We have re-committed to the Charter with a revised target of 45-50% of leadership positions to be held by women by 2026.



Other steps we have taken

Over the next year, we will continue to push for improvement across all areas of Equality, Diversity and Inclusion which we know in turn, will reduce our gender pay gap. An example of just some of the actions we are undertaking are:

- Re-established the 'Wonder' group as the Equality Network to enable a colleague forum to consult and take action on all things relating to equality, diversity and inclusion.
- Review our succession planning and ensure we are identifying opportunities to develop greater gender diversity in senior roles.
- A leadership development programme aimed at all levels of leadership at Hodge. Core to the design of this will be developing greater personal understanding of barriers to greater inclusivity.
- Complete regular role benchmarking exercises to ensure our roles are fairly rewarded.
- Continue to engage our colleagues, collate data and analyse our gender pay gap to fully understand all contributory factors to further influence change.
- Continue to review and improve our recruitment processes, from advertising to ensure wording demonstrates our intent for people from all backgrounds to apply to our shortlisting.

Closing quotes from Dave & Gareth



“

I am disappointed that we haven't made greater strides toward gender pay neutrality during 2022; and it is clear we need to go further to achieve greater diversity at the most senior levels of Hodge. We are re-committing to our revised target of 45%-50% of leadership positions to be held by women by 2026 and we will ensure we identify, promote and recruit more women into senior leadership roles; whilst also reinvigorating our Equality Network to ensure any barriers to inclusivity and diversity are tackled.

Whilst there is always more we can – and must – do, our commitment to gender equality for our organisation, industry and the wider community will remain steadfast in 2023 and beyond.

David Landen, CEO

Hodge is somewhere you can bring your authentic self and be accepted and welcomed no matter what. Being fair and inclusive is central to our values. This data shows we have a clear opportunity to demonstrate this by facilitating and encouraging greater diversity at the senior levels of our organisation. Working with our recently conceived Equality Network, we will engage with colleagues across the bank to ensure our processes create a talent pipeline to reflect this.

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Gareth Thomas, CPO



Appendices

Snapshot date: 5 April 2022

Employer size: 250-500

Person responsible: David Landen (Chief Executive Officer)

Hourly Wages pay gap

In this organisation, women earn 76p for every £1 that men earn when comparing median hourly wages. Their median hourly wage is 24% lower than men's.

Proportion of women in each pay quarter

In this organisation, women occupy 33% of the highest paid jobs and 60% of the lower paid jobs.

Top Quarter (highest paid)



Upper Middle Quarter



Lower Middle Quarter



Lower Quarter (lowest paid)



Appendices continued

Bonus pay gap

In this organisation, women earn 78p for every £1 that men earn when comparing median bonus pay. Their median bonus pay is 22% lower than men's.

Who received bonus pay

78% of women.

79% of men.



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